

**STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LOS ANGELES REGION**

RESOLUTION NO. XX-XX

**AUTHORIZING THE EXECUTIVE OFFICER
TO SIGN PROSPECTIVE PURCHASER AGREEMENT WITH
GLENDALE/GOODWIN REALTY I, LLC, THE KROGER CO.,
AND RALPHS GROCERY COMPANY
(4057 and 4059 Goodwin Avenue, City of Los Angeles, County of Los Angeles)**

WHEREAS, the California Regional Water Quality Control Board, Los Angeles Region (Regional Board), finds:

1. Pollution/contamination exists in the onsite soil and underlying groundwater at the real property (the “Property”) located at 4057 and 4059 Goodwin Avenue, in the City of Los Angeles, County of Los Angeles, State of California, and referenced as Assessor Parcel Number 5593-020-020. The Spirito Family Trust, Alice C. Clarno, Trustee (the “Trust”) currently owns the Property, which encompasses approximately 0.96 acres.
2. The Property is located within the Glendale North and South Operable Units (GOU) and the Glendale Chromium Operable Unit (CrOU). The GOU and CrOU are part of the United States Environmental Protection Agency (USEPA) – Region 9 San Fernando Valley (SFV) Superfund Site. The SFV Superfund Site was added to the National Priorities List on June 10, 1986. USEPA has selected interim remedial actions to primarily address volatile organic compound (VOC) contamination in the regional groundwater, which includes the groundwater underlying the Property.
3. A business known as Plating Engineering Company, Inc. (PECI) began metal plating operations at the northern portion of the Property on or before 1946. PECI’s building was destroyed by a fire in 1955, and a new building was built on the southern portion in 1956. Commencing from at least 1963, Excello Plating Co., Inc. (Excello), a now suspended California corporation, occupied this building, and continued plating-related activities, which included plating, anodizing and painting of metal components at the Property. Chemicals used at the Property by Excello included various acids, solvents, and metals. Excello ceased operations in December 2004 and abandoned the Property. Tanks and other plating equipment were removed from the site in December 2005 by a contractor hired by the current property owner, The Spirito Family Trust, and under the oversight of the Department of Toxic Substance Control (DTSC). The Excello facility, currently vacant, comprises an approximately 13,800-square foot building, which housed office space, a decorative chrome plating department, an anodized plating process area, a hard chrome

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process area, a paint booth, and a plating supply storage area. The abandoned building, drum storage areas, and a wastewater clarifier remain at the Property.

4. Various environmental assessments under the oversight of the Regional Board have been performed on the Property and results have indicated onsite soil and groundwater contamination resulting from the Property's use for plating activities. The chemicals of concern (COCs) include hexavalent chromium (Cr^{6+}), perchloroethylene (PCE), trichloroethylene (TCE), asbestos, and lead. These chemicals and materials present potential human health risks, including cancer and/or development risks, as indicated in the Proposition 65 list. Threats to surroundings exist until cleanup and redevelopment are performed.
5. Cleanup and Abatement Order (CAO) No. R4-2003-0038-R, as amended, requires Excello and the Trust to assess, clean up, and abate the effects of discharges to onsite soil and underlying groundwater at the Property.
6. Glendale/Goodwin Realty I, LLC, The Kroger Co., and Ralphs Grocery Company (collectively, "Ralphs") propose to purchase the Property from the Trust and remediate it in accordance with the Remedial Action Plan (RAP) conditionally approved by the Regional Board's Executive Officer on November 1, 2010. Ralphs will also cooperate with future Regional Board efforts to assure completion of the remediation work described in the RAP. After demolishing the building on the Property, Ralphs will remove the sources of pollutants in the onsite soil at the Property, in order to prevent the ongoing and future release of pollutants from onsite soils at the Property to groundwater. Ralphs will not remediate the groundwater under the Property, which may continue to be contaminated by upgradient sources. USEPA is addressing the groundwater contamination under and in the vicinity of the Property as part of its conduct of proceedings through the SFV Superfund Site.
7. Ralphs intends to use the Property to expand the operations of the existing warehouse and distribution facility located on adjacent property that Ralphs Grocery Company already owns. Ralphs further proposes to install an engineered cap on the Property, which would provide surface cover, and may at some future time construct a warehouse on the Property.
8. Ralphs requests that, in exchange, the Regional Board enter into the attached Prospective Purchaser Agreement ("Agreement"), which includes mutual covenants, including a covenant not to sue Ralphs for any presently known existing contamination/pollution at, on, or under the Property. The purpose of the Agreement is to settle and resolve, subject to certain reservations and limitations in the Agreement, the potential liability of Ralphs that would otherwise result from any of the Ralphs entities becoming the owners of the Property.

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9. The Trust is unable to finance an adequate cleanup of the Property. The Trust does not have the liquidity required or the ability to raise funds to pay the remediation costs of the Property, which is estimated to be between \$1,276,000 and \$2,270,000. Thus, remediation would not occur on the Property without Ralph's involvement.
10. The onsite soil and groundwater investigation has been completed. The RAP indicates that clean up of the onsite soil to acceptable levels can be accomplished by *in-situ* chemical reduction (ISCR) using calcium polysulfide (CaSx). The CaSx is mixed with soil using a large diameter auger (LDA). The combined process is referred to as LDA/ISCR. The process is used to reduce Cr⁺⁶ to trivalent chromium (Cr³⁺) to a depth of 35-feet below ground surface (bgs), which will mitigate the mobility and toxicity of the Cr⁺⁶. According to the California Geological Survey, historic data indicate the historic high groundwater depth is 36-feet bgs. Therefore, to mitigate the proximity of Cr⁺⁶, other COCs, and CaSx from entering the underlying groundwater, a stabilizing agent (i.e., cement) will be added to vadose zone soil to a depth of 45-feet bgs to lower the mobility of Cr³⁺ and residual Cr⁺⁶. More specifically, from a depth of 35-feet bgs to the groundwater table, COCs in the vadose zone soil will be stabilized in an approximately 10-foot thick, cemented, non-CaSx-treatment buffer zone. Avoiding treatment of the vadose soil with CaSx in the buffer zone reduces concern regarding potential leaching and transport of CaSx to the underlying groundwater, and thus the potential effect on USEPA GS-3 extraction well, which extracts groundwater through its well screen set between depths of 84 and 174-feet bgs. An engineered cap will be installed subsequent to completion of LDA/ICSR and cement stabilization remedial activities. The cap's purpose is to provide surface cover above the buffer zone where only cement stabilization will be used to treat the Cr⁺⁶ impacted vadose soil. Soil vapor extraction (SVE) will be used to mitigate VOCs, including PCE and TCE, contained in onsite vadose soil.
11. Once COCs are mitigated to the satisfaction of the Regional Board and USEPA, the Property's groundwater issues (including further assessment and remediation) and agency oversight management will be transferred to the USEPA because the regional groundwater (including the groundwater underlying the Property) are under the jurisdiction of the USEPA. USEPA will enforce State of California groundwater quality standards [i.e., maximum contaminant levels (MCLs)] during its oversight.
12. The RAP includes reference to the installation and observation of monitoring wells that will be required as part of the Waste Discharge Requirements (WDR) permit that will be issued by the Regional Board for the CaSx injection as part of the LDA/ISCR. The monitoring period will be required until the monitoring data indicates the LDS/ISCR and cement stabilization activities have remediated the COCs to a point they are not a source to the underlying groundwater.

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13. The Regional Board has authority to enter into agreements that provide covenants not to sue or to assert claims for environmental remediation against the purchaser of contaminated properties, if such agreements are sufficiently in the public's interest.
14. The LARWQCB has determined that the proposed Agreement is fair, reasonable and in the public interest, and is further consistent with the goals and purposes of the Porter-Cologne Water Quality Control Act (California Water Code § 13000 *et seq.*), in view of the fact that Ralphs has agreed to perform remediation work regarding the existing contamination at the Property. A substantial benefit will be received by the public as a result of the Agreement, which would otherwise not be available due to the Trust's financial condition. The Agreement benefits the public interest by ensuring the timely completion of the Remedial Action Plan, by removing soil contamination that is contributing to and exacerbating groundwater contamination, by revitalizing an underutilized site, and by enhancing economic value to the Property and its surrounding areas. Further, it allows USEPA's conduct of the proceedings relative to the SFV Superfund Site, in particular with reference to the regional groundwater contamination, to proceed more effectively.
15. The Regional Board provided notice of its intention to consider this matter at a public meeting and provided an opportunity for interested persons to comment on the tentative resolution, tentative Agreement, and its attachments. Regional Board staff, Ralphs, and USEPA also hosted a community meeting during the comment period to receive oral comments.
16. The Regional Board, at a public meeting, heard and considered all comments pertaining to this matter.

THEREFORE, BE IT RESOLVED THAT the California Regional Water Quality Control Board, Los Angeles Region, authorizes the Executive Officer to sign the Prospective Purchaser Agreement with Glendale/Goodwin Realty I, LLC, The Kroger Co., and Ralphs Grocery Company for the Property.

I, Samuel Unger, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the California Regional Water Quality control Board, Los Angeles Region, on [DATE].

Samuel Unger, PE
Executive Officer

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